

be such as the State Treasurer may determine in conformity with this act.

SEC. 5. That before selling the bonds herein authorized to be issued, the State Treasurer shall advertise the sale and invite sealed bids in such manner as in his judgment may seem most effectual to secure the best price. He is authorized to accept bids for the entire amount of said bonds, or any portion thereof, and when the conditions are equal he shall give the preference of purchase to the citizens of North Carolina; and he is empowered to sell the bonds herein authorized in such manner as in his judgment will produce the best price, but not for less than par and accrued interest.

Advertisement of sale.

Acceptance of bids.

Preference of purchase to citizens.

Sale below par forbidden.

SEC. 6. That the proceeds of said bonds and of the bond anticipation notes herein authorized (except the proceeds of bonds, the issuance of which has been anticipated by such bond anticipation notes), shall be placed by the Treasurer in a special fund to be designated "Prison Building Fund 1927" and be disbursed only for the purposes of this act upon warrants drawn by the State Auditor.

Special fund.

Designation of fund.

Exclusive appropriation.

SEC. 7. That by and with the consent of the Governor and Council of State, who shall determine the rate or maximum rate of interest and the date or approximate date of payment, the State Treasurer is hereby authorized to borrow money at the lowest rate of interest obtainable, and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

Loans on anticipation notes.

Circumstances justifying note issues.

(a) For anticipating the sale of any of said bonds to the issuance of which the Governor and Council of State shall have given consent, if the Treasurer shall deem it advisable to postpone the issuance of such bonds.

Anticipating sale of bonds.

(b) For the payment of interest upon or principal of any of said bonds then outstanding if there shall not be sufficient funds in the State Treasury with which to pay such interest or principal as they respectively fall due.

Payment of interest and on principal of bonds.

(c) For the renewal of any loan evidenced by notes herein authorized.

Renewal of loan.

SEC. 8. Funds derived from the sale of bonds shall be used in the payment of any bond anticipation notes that may have been issued in anticipation of the sale of such bonds and any renewal of such notes, and funds provided by the General Assembly for the payment of interest and/or principal of such bonds shall be used in paying the interest and/or principal of any notes or renewals thereof, the proceeds of which shall have been used in paying interest and/or principal of such bonds. Interest payments upon said notes may be evidenced by interest coupons in the Treasurer's discretion.

Payment of anticipation notes.

Funds from appropriations.

Coupons on notes.